

## Message Text

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PAGE 01 BONN 07475 220343Z  
ACTION OES-07

INFO OCT-01 EUR-12 ISO-00 EB-08 COME-00 TRSE-00  
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TO SECSTATE WASHDC 7916  
INFO AMEMBASSY PARIS  
AMEMBASSY ROME  
AMCONSUL BREMEN

UNCLAS BONN 07475

E.O. 11652 N/A  
TAGS: EFIS, EINV, GW  
SUBJECT: FOREIGN INVESTMENT IN FRG FISHERY

REF: (A) STATE 84700; (B) BREMEN 240 (NOTAL);  
(C) BONN 2316

1. FOREIGN INVESTMENT IN THE FRG IS GOVERNED BY THE  
FOREIGN TRADE AND PAYMENTS LAW (AUSSENWIRTSCHAFTS-  
GESETZ) OF APRIL 28, 1961, AND AMENDMENTS. THIS LAW  
PROVIDES THE AUTHORITY TO RESTRICT FOREIGN INVEST-  
MENT IN THE FRG IN ORDER TO MEET INTERNATIONAL  
AGREEMENTS, TO OFFSET HARMFUL INFLUENCE FROM ABROAD,  
TO AVERT HARMFUL MONEY AND CAPITAL FLOWS FROM ABROAD,  
AND TO ASSURE THE SECURITY AND FOREIGN INTERESTS  
OF THE FRG. CURRENTLY, MONETARY TRANSACTIONS OF  
FOREIGNERS WITH THE FRG (AND VICE-VERSA) ARE FREE  
FROM RESTRICTIONS IN PRINCIPLE.

2. ANSWERS BELOW ARE KEYED TO PARAGRAPH 2 OF REFTEL.

(A) NO RESTRICTIONS ARE IN FORCE WHICH PERTAIN TO  
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PAGE 02 BONN 07475 220343Z

FOREIGN INVESTMENT OR PARTICIPATION IN THE FRG  
FISHING INDUSTRY, INCLUDING FISHING, FISH  
PROCESSING, TRANSPORTATION OR MARKETING OF FISH.

(B) NO PRIOR APPROVAL OF FOREIGN INVESTMENT IS  
REQUIRED.

(C) ACCORDING TO ARTICLES 57 AND 58 OF THE ORDINANCE TO THE FOREIGN TRADE AND PAYMENTS LAW (VERORDNUNG ZUM AUSSENWIRTSCHAFTSGESETZ), FOREIGN INVESTMENT IN THE FRG MUST, SUBJECT TO CERTAIN LIMITATIONS, BE REPORTED AND UP-DATED TO THE RESPECTIVE LAND CENTRAL BANKS. THIS INFORMATION IS RELAYED THEN TO THE BUNDESBANK AND THE FEDERAL MINISTRY OF ECONOMICS. SUCH REPORTS ARE REQUIRED FOR FOREIGN INVESTMENT, WHETHER EQUITY OR LOANS. THE REQUIREMENT APPLIES TO ALL FOREIGN INVESTMENT, NOT JUST IN THE FISHING INDUSTRY. THE BREMEN CENTRAL BANK HAS STATED THAT THE REPORTS ARE "MERELY USED FOR STATISTICAL PURPOSES."

(D) THERE IS NO DISCRIMINATION.

3. RE PARA 4 REFTTEL (A): ACCORDING TO THE DEEPSEA FISHERIES ASSOCIATION, LEGAL GERMAN MARITIME REQUIREMENTS APPLY TO ALL SHIPS FLYING THE GERMAN FLAG, WHETHER DOMESTICALLY OR FOREIGN OWNED, OPERATED, AND/OR BUILT.

4. AS OF JUNE 30, 1977, TOTAL FOREIGN INVESTMENT IN FRG "FISHERIES AND FISH BREEDING" WAS DM 80 MILLION. "NORDSEE" OF BREMERHAVEN, THE LARGEST WEST GERMAN DEEPSEA TRAWLER COMPANY, AND ONE OF THE LARGEST UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BONN 07475 220343Z

FISH PROCESSORS IN THE FRG, WHICH OWNS SEVERAL FISH IMPORTING AND WHOLESALE FIRMS, AS WELL AS A CHAIN OF NEARLY 200 FISH RETAIL OUTLETS, IS WHOLLY OWNED BY THE DUTCH UNILEVER CONCERN. THE NEW ENGLAND FISH CO. OF THE U.S., OWNS A 50 PERCENT EQUITY IN FISCH-UNION OF CUXHAVEN, ONE OF THE LEADING FISH IMPORTERS AND FISH PROCESSORS IN THE FRG. A NUMBER OF DUTCH FISHERMEN ARE REPORTED TO OWN AND OPERATE CUTTER (INSHORE) FISHING COMPANIES IN THE FRG.

5. A COPY OF THE FOREIGN TRADE AND PAYMENTS LAW AND ITS IMPLEMENTING ORDINANCE ARE BEING FORWARDED TO THE DEPARTMENT UNDER SEPARATE COVER.

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## Message Attributes

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